

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY **East Germany**

REPORT

SUBJECT **VEB Berliner Gluehlampenwerk
Report on the First Quarter of 1955**

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1. The difficulties experienced by VEB Berliner Gluehlampenwerk (BGW) in late 1954 and early 1955 have continued to hamper the production of the enterprise during the first quarter of 1955. Since the BGW is one of the main suppliers of incandescent bulbs for home consumption and for export, this situation has drawn the attention of the East German government and the SED party several times. On 2 April 1955 Rudolf Müller, head of the enterprise, was called to a conference with the then Minister for Machine Construction Heinrich Rau. Rau requested Müller to forward immediately a report on the current situation of the BGW to the ministry. This report was forwarded on 5 April 1955.

2. The following data, which represent the situation in the BGW as of 5 April 1955, were contained in the report:

a. 1955 Plan

Production for sale (Warenproduktion)	57,646.5 thousand DME
Profit	10,419.2 thousand DME
Accumulation (Betriebliche Akkumulation)	23,495.4 thousand DME

b. Planned Increase in Comparison with 1954 (100%)

Increase of production for sale	30.9% over 1954
Increase of work productivity	15.9% over 1954
Increase of profit	168.1% over 1954

c. Material Supply

The following table lists the demand of the enterprise during the first quarter of 1955 and the deliveries actually made by its two main suppliers, VEB Spezialglaswerk "Einheit" in Weisswasser and VEB Glueso Werk in Tambach-Dietharz.

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<u>Item</u>	<u>Unit</u>	<u>Demand</u>	<u>Delivery Agreed to</u>	<u>Actually Delivered</u>	<u>Deficit</u>	<u>Percentage of Deficit</u>
Iron-Tombac Sockets for general-use lamps	thousand each	2,607	1,340	1,360.4	1,246.6	47.82
Iron-Tombac Sockets for small lamps	thousand each	1,611	1,741	1,744.5	-	-
Other Iron-Tombac and Aluminum Sockets	thousand each	656	458	367	289	44.05
Brass Sockets for General-Use Lamps	thousand each	2,111	1,031	248.6	1,862.4	88.22
Brass Sockets for Small Lamps	thousand each	2,492	1,877.3	944.1	1,457	60.70
Machine-Blown Flasks 15 to 100 Watt	thousand each	9,326	7,200	7,200	2,126	22.80
Machine-Blown Flasks 150 to 200 Watt	thousand each	862	840	799	63	7.31
Flasks for infra-red Radiators	thousand each	160	114	84	76	47.50
Glass for Filament Support	tons	116.5	116.5	80	36.5	31.33

d. Fulfillment of the Production Plan during the First Quarter of 1955:

(1) In spite of the material supply difficulties, the production plan was fulfilled to 87.5% in terms of measurement values. As a result, the supplies of flasks and glass for filament support were exhausted entirely. This fulfillment rate was only attained because substitute materials were used for missing materials, such as ceramic material for sockets instead of brass.

(2) The lack of brass sockets caused the following export deficiencies as of 31 March 1955:

General-use Lamps	905,231 each
Small Lamps	477,200 each
Photo Lamps	2,075 each
Darkroom lamps	25,078 each
Phosphorescent Lamps	16,806 each

e. Fulfillment of the Finance Plan during the First Quarter of 1955:

The planned factory result (Betriebsergebnis) for this quarter was 2,558.6 thousand DME. As of 28 February 1955, the actual factory result was 477.5 thousand DME. The final figure for the complete third quarter has not yet been established; it is not expected to exceed 800 thousand DME. This means that the finance plan for the first quarter 1955 will show a deficiency of about 1,750 thousand DME.

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Estimated
f. Material Supply during the Second Quarter 1955:

Difficulties in material supply have not been eliminated in spite of numerous conferences with the two main supplier firms and with representatives of the East German government:

- (1) Lead glass for filament support. The April 1955 demand for this item is 28 tons. As of 5 April 1955, only 6 tons had been promised for delivery.
- (2) Flasks for infra-red radiators: The demand for this item during the second quarter of 1955 is 150,000 flasks. As of 5 April 1955, only 60,000 flasks had been promised for delivery.
- (3) Iron, stonbac and brass sockets: Deliveries so far promised are so small that not only can the deficiencies of the first quarter of 1955 not be made up, but there will be serious new deficiencies during the second quarter of 1955.

g. Perspectives:

- (1) The enterprise will be forced to make use of magnesia glass instead of lead glass for filament supports. This will increase the reject rate caused by breakage by 50%.
- (2) Due to the shortage of proper sockets, the enterprise will not be able to fulfill its export obligations.

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